



U.S. SENATE COMMITTEE ON

Finance

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Opening Statement of Sen. Chuck Grassley
Hearing on U.S. Economic and Trade Policy in the Middle East
Wednesday, March 10, 2004

I would like to begin by thanking today's witnesses for appearing at this hearing. We look forward to your testimony. Today economic stagnation and rapid population growth is creating great frustration in the Middle East. This frustration all too often leads to political violence. As a result, the news we hear about the region is frequently dominated by stories of political violence and security concerns. But we know that there is another side to the Middle East that does not always get the news coverage it deserves. The Middle East is a vast and vibrant region full of promise. We are pleased today to be able to focus on that aspect of the Middle East.

For the region to truly thrive, we need stronger economic engagement between the United States and like-minded nations in the Middle East. That is why I so strongly support the President's call for a Middle East Free Trade Agreement by 2013. The dramatic vision articulated by the President can indeed become a reality. But it is going to take a lot of work to get this done. With his call for a Middle East Free Trade Area, the President correctly recognizes that increased U.S. trade with and among Middle Eastern countries will foster long-term economic growth in the region. Just as important, trade agreements entered into by Middle Eastern countries would lead to, and in some cases lock in, needed political reforms. The American economy will also benefit from more trade with Middle Eastern countries. The region's large and growing population offers Americans a great export market. Countries in the Middle East -- due to their difficult growing conditions -- hold much promise for increased agricultural imports from the United States, which is especially important for my home state of Iowa.

The Bush Administration has taken a number of concrete steps to seize these opportunities. First, President Bush pushed through the Congress an important trade agreement with Jordan. Just last week, negotiations were completed with Morocco, a key ally in the war against terrorism. The U.S.-Morocco FTA further opens the Moroccan economy to imports from the United States. This agreement will have a direct positive impact on Iowa's farmers as Morocco's tariffs on corn and soybeans will go to zero. I would like to thank personally Ambassador Zoellick and U.S. Chief Agricultural Negotiator Allen Johnson for their efforts on behalf of U.S. agriculture when negotiating this FTA. Likewise, with increased export opportunities to the United States, and less expensive imports from the United States, the Moroccan people will benefit from the FTA. Moreover, Morocco will likely receive greater foreign investment due to its enhanced economic status on account of an FTA with the United States. By improving the economic situation in Morocco, the FTA will bring greater stability to that country.

I am also encouraged by our negotiations with Bahrain. Bahrain is not only a strategic ally of the United States but also has demonstrated a real commitment to liberalized trade. In addition, Bahrain is a leading nation in the Gulf Cooperation Council, an entity that is contributing to greater economic integration in the region. It is my understanding that negotiations with Bahrain are proceeding rapidly, and I commend Bahraini officials for their commitment to this process.

The U.S.-Jordan FTA, the U.S.-Morocco FTA, and the proposed U.S.-Bahrain FTA are important steps toward fulfilling the President's vision of a Middle East Free Trade Area by 2013. I look forward to hearing from our witnesses today about progress being made toward this vision and what we can do together to help bring greater peace and prosperity to this important region of the world.